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SOVIET INTENTIONS REGARDING CUBA

General Objectives. Soviet objectives in Cuba over the next several years may be defined as follows:

- (1) To strive vigorously to consolidate Castro's rule in Cuba with-
out, however, entertaining serious risks of general war in pursuit of this
objective.
- (2) In dealings on the governmental level, to acquire as much
economic and political influence over Castro as possible in order to
encourage and ensure the continuation of his present external and internal
policy line.
- (3) On the party level, to expand and consolidate Cuban communist
infiltration of key positions in the Castro government and other Cuban
political, economic and social institutions for the purpose of making Castro
more amenable to Soviet-communist control and preparing the ground for a
full-scale communist takeover. For some time to come, however, the Soviets
will neither desire nor encourage a communist attempt formally to seize
power from Castro, except under unusual circumstances.
- (4) Through the example of Soviet aid to Cuba and through Castro's
own activities, to foster the spread of anti-US and preferably Soviet-
oriented leftist revolutionary governments in Latin America.

Political and Military Support. Assuming the continuation of present
Cuban policy toward the US, Moscow can be expected to extend vigorous
political-diplomatic support to Cuba in response to almost any international
situation. Moscow's apparent conviction that there is fertile ground in
Latin America for the spread of leftist revolutionary anti-US regimes --
stemming from widespread dissatisfaction with domestic conditions and the
state of current relations with the US -- apparently outweighs whatever
concern it might have that too close identification with Castro will harm

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its chances of establishing political and economic ties with the more conservative governments of Latin America. Moscow will nonetheless continue to seek such ties, at the same time championing the Castro regime.

Considerations affecting its relations with the US might under certain circumstances cause the USSR to refrain, at least temporarily, from its more provocative actions in support of Castro. In particular, the Soviets might regard such forbearance as expedient if they felt it would facilitate the convening of East-West negotiations at which broader Soviet interests would be served, or if they concluded that a return to a limited East-West détente was desirable for other reasons. In either case, however, this would probably be only a temporary phenomenon or a softening of the provocative Soviet posture, and not a reversal of Moscow's presently-set course toward Cuba.

Moscow will continue to extend and will probably expand assistance to Cuba in the form of semi-covert shipments of military equipment from the Soviet bloc and military instruction by bloc technicians. As in the case of similar Soviet programs in Asia and Africa, the Soviets will hope by this means to curry favor with the Castro regime and to extend its dependency on the bloc. In addition, such assistance serves Soviet aims by enabling the Castro regime better to cope with its security problems and to render material support to anti-US reformist or leftist revolutionary movements elsewhere in Latin America. At the same time, experience suggests that there will be limits to the type and quality of military equipment which the Soviet bloc will offer Cuba; in particular, nuclear weapons are out of the question.

It is doubtful that Moscow will enter into any formal military agreements, except for those governing the provision of military equipment and advisors. Moscow will not want to conclude any formal mutual defense treaty (as distinguished from possible treaties of friendship and non-aggression) with Cuba, or outwardly establish military bases there. Either arrangement would be regarded by Moscow as restricting its freedom of maneuver in a fluid situation and as running counter to broader Soviet objectives elsewhere.

The Soviets will, however, seek to deter possible military intervention by anti-Castro forces -- and to claim credit for such deterrence if an intervention does not eventuate -- by warning the US of Soviet countermeasures if it attempts to intervene. To date, Khrushchev has made two statements suggesting that the Soviets would retaliate with missiles if the US attacked Cuba. Similar statements can be expected from time to time in the future. Khrushchev's warnings were qualified and represent an attempt to create a presumption of Soviet intentions

This report is based on information available through January 19, 1961.

rather than an actual Soviet commitment. But being directed at a situation which, in the probable Soviet view, could well produce a US-inspired military intervention, these statements do indicate a boldness on Khrushchev's part and an intense interest in maintaining the Soviet position in Cuba by bolstering Castro.

In the event of a major military attack against the Castro regime from outside Cuba, the Soviets would almost certainly charge the US with conspiracy and, moreover, would probably believe the charge, even if not true. In response to this situation, the Soviets would not wittingly take any step which would directly involve them in military conflict with the US and would not -- at least initially -- intervene with their military forces in any fashion.

The initial Soviet response would be to launch a vigorous missile-flying diplomatic campaign along the lines of that at the time of the Suez crisis. By raising the threat of a third world war and by charging the US with aggression, the Soviets would hope to generate enough political pressure from world public opinion and within the UN to bring about a cease-fire and a withdrawal of the invaders. If the fighting were protracted, the Soviets would probably step up shipments of military equipment to Cuba and might possibly send a token force of military "technicians" or "volunteers," if only to build pressure for a cease-fire and withdrawal by generating fears of general war.

This would probably be the limit of deliberately-conceived Soviet military assistance. However, in a situation such as this, where a local conflict existed and where direct Soviet and US interests were involved, there would always be a possibility of greater Soviet military involvement resulting from prior overcommitment or from miscalculation of US intentions.

A deliberate Soviet effort to provoke an open military intervention by the US in Cuba is regarded as extremely unlikely, unless the Soviets concluded that a loss of the Soviet position in Cuba was inevitable anyway because of internal developments in Cuba. The USSR has compelling reasons for wanting to hold on to, and expand, its position in Cuba. The Soviets almost certainly believe that these outweigh the compensatory political and propaganda advantages which would accrue to them from an open military intervention in Cuba by the US. A US military intervention would mean either the loss of that position and a blow to Soviet prestige in the event the USSR failed to render effective support to Castro, or a serious risk of general war in the event of a strong Soviet counter-intervention. None of these would be favorable consequences from the Soviet point of view.

Economic Support. The Soviet Union moved to expand trade relations with Cuba in the wake of the US trade embargo and in December announced that it would take all measures it could to insure the supply of goods vital for the Cuban economy which become unavailable as a result of US restrictions on commerce with Cuba. The Soviets also declared their willingness to take 2.7 million tons of Cuban sugar annually (an increase of 1 million tons over commitments for 1960) if the US fails to buy sugar from Cuba. Contrary to its usual practice, Moscow agreed to make at least part of the earnings from such sales usable for purchases in other bloc countries.

While it is clear that the USSR is determined to make prodigious efforts to insure that Cuba's economy is sustained, this does not mean that Moscow will hand Castro a blank check. The future pattern and level of Cuban production in any case will depend to an important extent on the regime's ability to formulate and implement policies which effectively utilize domestic resources. The Soviets appear to feel that such ability exists in sufficient degree (given the scope of political control over resources) that, with bolstering from bloc sources, the Cuban economy will not founder. Thus, the USSR (with some help from other members of the bloc) will unquestionably make every effort to carry out its promise to fill gaps created by US economic countermeasures, even if this is at some sacrifice to Soviet aid and trade programs in other parts of the world or to possible domestic requirements. This conclusion is based on the following considerations:

(1) It is a major Soviet aim to expand Cuba's economic ties with the Soviet bloc as much as possible in order to increase Soviet political influence over the Castro regime. Increased Cuban economic dependence on the bloc will, in the probable Soviet view, not only accelerate the current trend of the Castro regime of orienting itself toward the bloc and communism, but will also give Moscow a powerful lever over Castro in the event he has second thoughts about intimate political association with the Communists. (The latter eventuality seems remote at the present time, but the Soviets are aware of their own experiences with Nasser and Qasim.) Therefore, Moscow probably believes that the trade embargo and any further reduction in US-Cuban commerce present a promising opportunity for a further advance of Soviet interests, with the political gains offsetting the economic costs.

(2) Moscow will wish to demonstrate to prospective Castro-like regimes in Latin America that they can count on Soviet assistance if they wish to be economically "independent" of the US. Failure to meet Cuba's needs in the present instance would be a setback to these broader Soviet aims in Latin America.

(2) Soviet failure to act in this instance would also run counter to the entire Khrushchev-Mikoyan strategy toward the underdeveloped areas. It has been a basic premise of this strategy that by offering extensive economic aid and trade to "national bourgeois" governments (preferably of the radical Castro-stripe) in the underdeveloped areas, the Soviet Union can create ties of dependence on the bloc which in turn will lead these governments to orient their foreign policies more and more along Soviet lines and will eventually facilitate a seizure of power, or the substance of power, by local communist forces. The Soviets probably regard Cuba as a classic model for this strategy. It seems inconceivable that the Soviets would pass up the current opportunity to show that this strategy works, if only because this strategy is being heavily criticized by the Chinese Communists for being insufficiently revolutionary.

Bloc Economic Capabilities. A review of Cuban imports from the US in 1956 indicates that the USSR and the other bloc countries can supply from their own production the bulk of the goods which the Castro regime requires in the wake of the US export embargo and cessation of US-Cuban ~~super purchases~~. The bloc has already agreed to set up an integrated program to help Cuba solve economic problems resulting from the decline in trade with the US, has agreed to modify certain manufacturing processes for Cuba's benefit, and has placed a high priority on the delivery of bloc goods to Havana.

Difficulties will be experienced in connection with bloc exports of machinery and equipment (including vehicles), and with chemical products to Cuba. In 1958 the total value of Cuban imports from the US in the first category was \$164 million and in the second \$48.6 million. The USSR and the rest of the bloc can supply Cuba with \$200 million in products of this nature and in fact can supply adequate replacements for most of what was ordinarily purchased from the US. The major problem will arise in connection with spare parts for machinery originally purchased in the US and with certain chemicals. While the chemicals can be purchased elsewhere in the free world either by Cuba or by the USSR for Cuba, difficulties will certainly be experienced in obtaining replacement parts as required. Delays in this case will be inevitable and will adversely affect the Cuban economy. Recent reports, for example, indicate that production in some plants -- for example, refineries, plants manufacturing paints, automobile tires, glass bottles, rayon thread and probably others -- has been slowed down by a lack of raw materials and spare parts, and some automobiles, buses and trucks have been withdrawn from service, likewise for the want of spare parts. This situation will probably get worse before it gets better, and the short-run dislocations may be fairly extensive in the industrial sector as the effects spread from the plants directly affected to their consumers or suppliers. However, within a year or so the worst of the problems resulting from a shift to bloc suppliers should be under control. The Cubans will undoubtedly experience some success

in purchasing such parts through third parties and some parts may be specially made to Western specifications in the bloc, although some of the initial efforts have not proven satisfactory. If these approaches to the problem are inadequate, the more costly alternative of replacing entire machines and vehicles (or major components thereof) by bloc-made counterparts may be adopted.

The amount of Soviet bloc assistance required by Castro in 1961 will depend to a major extent on Cuba's export earnings. The bloc is committed to take at least 2.3 million tons in 1961; and 4.0 million tons if the US fails to purchase Cuban sugar (the USSR and Communist China 1 million tons each, plus an additional 1.7 million tons to the USSR if the US fails to buy Cuban sugar in this year, and 300,000 tons to other European satellites). On the basis of bloc commitments and promises, and assuming both a complete cessation of US purchases of Cuban sugar and the maintenance of sales amounting to about 1.75 million tons to countries other than to the bloc and to the US, total sugar earnings in 1961 would amount to about \$460 million. This also assumes that the 4.0 million tons to the Sino-Soviet bloc will be sold at 4 cents a pound, which Prime Minister Castro recently announced the bloc had pledged to pay if the US ceased its purchases of sugar, and 1.75 million tons will be sold elsewhere at a conservatively-estimated world market price of 2.5 cents a pound. Assuming no further curtailment of US purchases, receipts from other Cuban exports are expected to remain at about \$115 million, bringing the total of all earnings to about \$575 million. The major portion of these export earnings will be in non-convertible currency, however, and the Cubans have apparently been so far unsuccessful in securing any convertible currency commitments from the Bloc countries (other than the 20% in the original agreement for one million tons of sugar annually to the USSR).

Import requirements for 1961 are estimated at roughly \$600 million; \$150 million for consumers' goods and \$450 million for producers' goods if the latter are to be maintained at the 1957/58 level. Consumers' goods were reduced in 1960 to roughly \$150 million -- a level already 50 percent below that reached in 1958 -- and are believed to have been cut as much as possible without rapidly increasing political discontent. On the basis of these assumptions, an estimated trade gap of about \$25 million would be left when export earnings are set against these import requirements in 1961. Should reports that the USSR has raised the price of the goods it will sell to Cuba prove reliable, it is likely other bloc partners will follow suit. The price increases are believed designed to offset the cost to the bloc of its agreement to pay a premium price for sugar and may thus raise the import deficit to about \$115 million. To the trade deficit must be added an allowance for net payments on invisibles of roughly \$25 million. Thus, Cuba's balance of payments can be expected to show a deficit on current account ranging from \$50 million to \$140 million, depending on the prices it is forced to pay for imports from the bloc.

Since the bloc has already signed agreements to provide Cuba with credits of \$245 million, the anticipated import gap could be financed from such sources. This would involve a more rapid drawdown than has been typical of bloc assistance, but arrangements to expedite a number of projects in 1961 were made during "Che" Guevara's recent trip to the bloc. Given Moscow's announced intention to help Cuba offset the effects of a US embargo, the bloc would probably be willing to provide some non-project goods on deferred payment and might even make available a limited amount of credit in convertible currency for essential purchases in the free world. In the short run, at least, the Cuban consumer can be expected to suffer, and dislocations in production seem inevitable in the course of reorienting trade towards the bloc. However, present bloc trade and credit commitments and announced promises of further help appear to give the regime sufficient external resources to prevent critical economic deterioration and, in the longer run, would allow an expansion of industrial output unless the economy is seriously mismanaged.

Communist Party Tactics. A key element determining tactics of the communist party ("Popular Socialist Party") within Cuba will be Castro's attitude toward communism and Moscow's assessment of this attitude.

The weight of present evidence indicates that Moscow regards Castro not as a Communist, subject to party discipline, but as a radical nationalist, a willing fellow-traveler who has for his own purposes presented it with a great opportunity to gain influence and eventual control in Cuba. This conclusion, which is based not only on public Soviet pronouncements but also on reliable intelligence reports, represents an underlying assumption of this paper and a point of departure for the discussion of communist party tactics in this section.

There is, however, at least circumstantial evidence that Castro may, in fact, be a Communist himself and has chosen to hide this affiliation for reasons of political expediency. The possibility that Castro is a crypto-Communist is suggested by his lengthy association with communist and left-wing elements; by his reliance on close advisors known or believed to be communist party members; by his domestic programs resembling in many respects the initial stage of communist rule in Eastern Europe; and by his willing collaboration with the communist bloc on the international scene. If this is indeed the case, then much that is set forth below regarding Soviet intentions in the sphere of communist party tactics would not apply, in particular, Moscow's likely expectation that there will ultimately be a contest for the final power of decision in Cuba between the Communists and their onetime willing collaborator, Castro. However, the general conclusion that Moscow will not want the Cuban Communists to move precipitately in attempting an overt seizure of power in Cuba is likely to apply in either case -- whether Castro is a tool and temporary ally of the Cuban Communists or their unacknowledged leader.

Returning to our original assumption that Castro is a left-wing fellow-traveling nationalist, Moscow can be expected to direct the Cuban Popular Socialist Party to continue to infiltrate and occupy influential positions in the Castro government and other Cuban political, economic, and social institutions for the purpose of making Castro more amenable to Soviet-communist control and preparing the ground for a full-scale communist seizure of power.

While the establishment of a communist government will remain the ultimate Soviet objective, Moscow will probably neither desire nor encourage for some time to come a communist attempt to seize power from Castro, except under unusual circumstances. The present situation in Cuba has many advantages and minimal liabilities from the Soviet point of view. An overt communist seizure of power in Cuba would, on the other hand, raise two major problems for the USSR:

First, there would be the problem of maintaining the regime in power. An openly established communist regime would force the Soviets to choose between two extremely disadvantageous alternatives if the US intervened -- either an effective Soviet counterintervention, with serious risk of general war, or a Soviet failure to prevent the overthrow of the Cuban communist government, with potentially serious consequences for the maintenance of Soviet domination of Eastern Europe. Soviet sensitivity concerning threats to its hegemony in Eastern Europe needs no further elaboration. As for the question of risk of war, the Soviets would almost certainly calculate that the US, at one time or another and in one form or another, would attempt to overthrow the government. Given the present relative balance of US-Soviet military power, they would probably conclude that they could not be assured of checking a determined US effort by limited bloc military aid to Cuba (because of Cuba's geographic position) or by routine threats of nuclear retaliation, and that they would have to be prepared to carry their defense of a Cuban communist regime right to the brink of general war in order to be successful. This, however, would entail serious risks of general war, risks which the Soviets would not want to assume on behalf of their stake in Cuba.

Second, an open seizure of power by Cuban Communists would, under present circumstances, mean a setback to Soviet interests outside of Cuba. The dominant political trend in Latin America at the present time is, in the Soviet view, toward national "independence" from US influence and "bourgeois democratic" reform and not toward communism. The emergence of an avowed communist government in Cuba would tend to discourage these non-communist revolutionary movements from collaborating with local Communists and discourage non-communist governments from collaborating with the USSR. This would also complicate Moscow's efforts to court "national bourgeois" government in Asia, the Middle East, and Africa.

This analysis of the type of tactics and of regime which the USSR will probably urge the Cuban Communists to support appears confirmed by the Statement issued by the conference of world communist leaders held in Moscow in November. This Statement evolved a new formula -- introduced at Soviet initiative -- in calling upon Communists to assist in the establishment in underdeveloped areas of "national democracies". These would not be communist-led, but would come much closer to overt communist rule than the run-of-the-mill "national bourgeois" states; they would have a non-communist leadership characterized by a strongly anti-Western attitude in international affairs and by a communist-style domestic program, and committed to close cooperation with the local communist forces. The Statement implied that the Cuban regime was such a "national democratic state;" and subsequent communist comment on the conference asserted directly that "the revolution of the Cuban people has created a national democratic state" which the conference agreed "must be supported by all means."

At the same time, the labeling of Cuba as a "national democracy" indicates Moscow's satisfaction with the extent to which Cuban Communists have already succeeded in extending their influence through the Castro regime. The speech of Socialist Unity Party (SED) Politburo member Hermann Matern delivered at the December plenum of the SED Central Committee was particularly revealing in this regard. Matern asserted that "the concept of national democracy sums up the processes of the revolutionary transition from capitalism to socialism in a tactical formulation which can help parties in anti-imperialist countries freed from the colonial yoke to carry out the democratic and socialist revolution. (Italics added.) He drew an implicit distinction between "national democracies" and "peoples democracies" by stating that the latter provided for the establishment of the "dictatorship of the proletariat" (i.e., overt communist rule). He went on to state that "Since the slogan of national freedom and independence represents the first and most important action in many countries of Africa, Asia and Latin America, it would be incorrect and inexpedient to apply such a formulation as 'peoples democracies' for these countries." In other words, through exploitation of nationalist movements and through tactical collaboration with the radical nationalist leaders of "national democratic states," communist parties can lay the basis for and eventually achieve a "socialist" revolution. Incidentally, Matern revealed without further amplification that the Cuban Popular Socialist Party raised objections to this new formulation during the preliminary discussions of the draft Statement.

It follows from the foregoing discussion that Moscow would not be likely to encourage the Cuban Communists to seize power until it considers the military power balance to be more in its favor and until it had more fully exploited the opportunities of collaborating with the "national bourgeoisie" elsewhere in Latin America. To put this in positive terms,

Moscow probably envisages two stages in any communist takeover in Cuba. During the first stage -- one which is current and will probably continue for some time -- Moscow will encourage the Cuban Communists to infiltrate and consolidate their hold over key political, economic, and social institutions; including the communist-style security apparatus (the people's militia) over which they already exert a large measure of control, on the basis of collaboration with Castro. Moscow will also require them to further by every means the nationalization of industry, commerce, and agriculture along classical patterns of takeover, with some innovations. At the second stage, the communists would be directed or permitted to seize the center of power by deposing or neutralizing Castro, but only after internal conditions in Cuba had developed to a point where success seemed assured, after the Soviets seemed there was assurance of a net political gain on the international scene (particularly elsewhere in Latin America), and after Soviet military power had developed to a point where the USSR believed it could safely deter the US from intervening through threat of general war. The latter factor is particularly important to the Soviets in view of Cuba's exposed geographic position.

If the Cuban Communists were successful in seizing power, they probably would refrain for a while from openly proclaiming Cuba to be a "socialist" state; they would prefer, for an interim period, to hold the substance of power and retain a titular non-communist government of sorts as a facade. This is, in a sense, the existing state of affairs today in Cuba. However, without belittling current communist influence in Cuba, there is a qualitative difference in the communist view between exercising influence through a fellow-traveling nationalist leader such as Castro seems to be, no matter how warmly he may welcome communist support at a given time, and exercising the power of final decision through a Communist leader (which apparently is still not theirs, unless indeed Castro proves to be a crypto-Communist). The Communists regard any strong political leader not subject to communist party discipline as a temporary ally and an eventual competitor for power. This conclusion not only represents a cardinal feature of communist organizational principles but also reflects practical experience -- for example, the break between Chiang Kai-shek and the Chinese Communists in 1927 after several years of close political cooperation (the Kuomintang was at one time associated with the Comintern) and, more recently, the 1958-59 events in Iraq. Thus, a communist seizure of the substance of power in Cuba would probably be marked by a coup of some sort which either would relegate Castro to a status of figurehead or remove him from the political scene.

The foregoing discussion indicates a relatively gradual approach on Moscow's part to the goal of a communist seizure of power. It is possible, however, that the Cuban Communists might move at a faster pace

than Moscow would desire. This has frequently been the case of communist parties out of power in other parts of the world. Such a situation could also grow out of the Sino-Soviet dispute.

Sino-Soviet Relations and Cuba. The USSR's intentions and actions regarding Cuba could be significantly affected by its differences with Communist China. Despite the facade of unity created by the recent Moscow Conference of Communist Parties, the basic differences between the two powers over world communist strategy and leadership will almost certainly persist and be manifested in sharp form from time to time. The competition between Moscow and Peiping for influence over the communist parties of the world might continue or be intensified at some later date. As a result, Moscow's ability to guide the activities of the Cuban Popular Socialist Party might be weakened (due to factionalism or increased Chinese influence), or the Soviet leaders might be inclined to pursue a more militant foreign policy course than they would otherwise consider expedient. In any event, Soviet foreign policy will be affected by Moscow's continuing differences with Communist China and this could be reflected to some degree in the Soviet approach to the Cuban problem.